

Challenges and Prospects of Poultry Industry in Bangladesh

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Abstract

Poultry industry is one of the most promising sectors for Bangladesh. This industry can provide various opportunities to increase GDP growth rate plus equitable distribution through arranging food security as well as ensuring self-employment, creating purchasing power and reducing poverty at a large scale. About 44 per cent of daily human intake of animal protein comes from livestock products. The poultry industry has been supplying quality protein to the people of Bangladesh at the lowest price in the world. The study outlined major concerns focusing on the entire problems. The followings points have been finally consider as comprehensive issues; lack of quality chicks, high price of feed, marketing problem, insufficient bank loan, lack of quality vaccine, the vaccine price is very high and bird flu. It is observed that to import poultry related products huge amount of valuable foreign exchange will be spent. We have proposed for providing subsidy to the local industry and protect safeguard to the local entrepreneurs of the poultry industry.

Keywords: Poultry, Problem, Prospect, Dropping, Bangladesh

1. INTRODUCTION

1.1 Background

Bangladesh is one of the high density countries of the world has a population of 160 million people within the area of 1,47,570 square-km. About Eighty percent people of this country still live in villages and are extremely poor. Poultry farms, mainly chicken farms producing meat and eggs, can be highly specialized operations. Both the government and a variety of non-governmental organizations (NGO's) are actively promoting poultry development at all levels. The Bangladesh Rural Advancement Commission (BRAC), the largest, shows in its' annual report that more than 70% of rural households are involved in poultry keeping. But they face serious constraints, as the mortality rate of poultry is said to be as high as 25%, due to a combination of improper feeding practices, ignorance of management needs and poor distribution of vaccines.

The poultry industry is becoming a leading industry in the country. The sector has been growing an annual rate of around 20 per cent for the last two decades. This industry has immense scope for the country through following points:

i) Changing livelihood & food habit; ii) Reduction of dependence of meat related to Cow and goat, iii) Ultimately has positive impact on GDP growth rate of the country as well as ensuring food security.

1.1.1 LITERATURE REVIEW

It is evident that a substantial majority of the population suffers from varying degrees of malnutrition, including protein-energy malnutrition, micro-nutrient deficiencies, iodine deficiency disorder, iron deficiency, anemia, and vitamin deficiencies, whose major portion are recovered by poultry industry.

Fish and cattle production require a longer time. But poultry production is relatively faster and easier, if public and private sector initiatives go side by side. A recent report titled 'Climate change as a security risk' indicated to the probable loss land through flooding in this part of the world. Bangladesh is a densely populated country. Agricultural land is limited and is reducing at one per cent per annum. A solution to the issue of farmland depletion could be formulation of a sensible and realistic land-use policy. Poultry is most probably the only

sector that can grow vertically and produce maximum amount of egg and chicken using the minimum land. Moreover, from the poultry industry, biogas and organic fertilizer can be prepared well.

Livestock is playing an important role in the national economy by contributing significantly to agriculture and the gross national product. Furthermore, it plays a pivotal role in the rural socio-economic system as maximum households are directly involved in livestock. In the nineties total investment in the poultry sector was only Tk 15 hundred core, but now it is more than Tk 15 thousand core. Poultry sector will create job opportunity for 10m people as claimed by poultry leaders in a roundtable titled —Present Crisis and Prospects of Poultry Industry in Bangladesh

(Source: Financial Express, Bangladesh 23 July,2010).

Recently declining trend in the poultry industry has been creating a problem for the country. The poultry farmers are suffering severely from the lack of security of their farms and investment. Every year, thousands of farms are collapsing due to bird flu outbreak and many for their incapability to buy high priced poultry ingredients and absorb losses from market price fall. Solvent farmers are becoming poor overnight. Samir Kumar Sheel (2007) et al argued that the outbreak of some diseases coupled with rise in feed cost appears to be the major setbacks for this industry in Bangladesh.

Banerjee (2004) observes that in comparison to other livestock, Poultry requires less investment to start the farming. Persons from low income group may also start the business on a small scale. Poultry farming offer the opportunities for fulfillment or part-time employment particularly women, children or elderly person on the farm operation.

Khan, Miah, Bhuiyan, Begum, Hussain and Khanum (2006) observe that Local chickens dominate Poultry production in Bangladesh. In Sylhet mainly poor families, who have arrived from outside and are landless rear Poultry. Most of the households (58.33%) had 0-15 chicken. Most of the families (75%) reared their chicken in combined house with duck. Materials used for housing were similar to other parts of the country. Mainly female member were involved in poultry rearing. About fifty percent farmers got on an average less than 70 eggs per year per bird. A few farmers (5.56%) informed that they had collected more than 130 eggs from a bird in a year. Highest egg production was observed in winter season (52.78%) followed by summer, spring and late autumn.

Akter and Uddin (2009) argue that as an important sub sector of livestock production, the poultry industry in Bangladesh plays a vital role in economic growth and simultaneously creates numerous employment opportunities. The poultry industry, as a fundamental part of animal production, is committed to supply the nation which a cheap source of good quality nutritious animal protein in terms of meat and eggs.

Shamsuddoha (2010) observes that sustainable development of environment friendly commercial poultry industry in Bangladesh seems to have attracted little attention.

According to http://www.fao.org/ag/againfo/themes/en/infpd/econf_bang.html (accessed on 5th November,2011) small poultry enterprises with adequate institutional support targeting the poorest rural women and their families can help them take the first step out of poverty. However, for the concept to work as a poverty breaking tool (i) the beneficiaries must come from the poorest segments of the village, (ii) the cost of producing an egg must be lower than in the commercial sector, (iii) an enabling environment must be established to keep a small flock of hens, inter alia, access in the village to feed, vaccine, vaccinations services, micro-finance, marketing and other inputs and services, and (iv) the enabling environment must contain institutional and political space to provide the people involved the possibilities and opportunities to take the next step out of poverty.

However, poultry farming today is a huge business that is split into several operations including hatcheries, pullet farms for meat production, or farms egg production. Chickens originated from Jungle Fowl in South Eastern Asia around 3200 BC (Dr. M. Farran, personal communication, 2009). Chickens were domesticated and spread to China, India, Africa, Pacific Island, and Europe. The main use of chickens has never changed. They were primarily raised for human food. In addition, their feathers were used for making cushions, litter for fertilizers and in some societies, chickens were used in cock fighting as a source of entertainment.

As the human population increases, the poultry industry continues to grow to meet the demand for poultry products in world markets. The importance of poultry farms lies in the quality of products that are provided to humans. Boilers farms provide meat that supplies the human body with high quality proteins. Layers farms provide eggs rich in proteins and vitamins, especially the fat soluble vitamins (A, D, E, and K). Poultry farms are fast-paced operations that can fulfill the demand for meat and eggs, and can be expended easily to meet the ever-growing demand (Dr. M. Farran, personal communication,2009). Proper management ensures efficient

production and good quality products (meat and eggs). This is accomplished by controlling diseases, maintaining feed efficiency, proper handling of wastes, and proper sanitizing of the poultry house

The International Livestock Research Institute (ILRI) and its partners have identified that encouraging market participation of smallholder livestock producers is a major pathway for getting rural people out of poverty and improving their food security, as livestock contribute to the livelihoods of more than two-thirds of the world's rural poor (Holloway et al., 2002).

The poor rural farmers produce chickens and sell them to earn cash required for various household expenses. There is a growing demand for chicken meat and egg in urban areas due to substantial increase in price of beef and mutton. Therefore, chicken production is likely to play increasing role in supplying animal protein for human consumption in the country. Chicken meat is relatively cheap and affordable source of animal protein (Alemu and Tadelles, 1997). However, at home and restaurants chicken dishes are more expensive than other dishes such as beef and mutton probably due to the way chicken dishes are prepared. Marketing is an important aspect of any livestock production system. It provides the mechanism whereby producers exchange their livestock and livestock products for cash. The cash is used for acquiring goods and services which they do not produce themselves, in order to satisfy a variety of needs ranging from food items, clothing, medication, and schooling to the purchase of breeding stock and other production inputs and supplies. Analysis of the marketing system for village poultry will help to determine the economic value and importance of local chickens. Branckaert and Guèye (1999) reported that an established market structure for free-range chickens is a prerequisite for developing family poultry. Even in breeding program development, indices require appropriate economic values that could be derived from such market studies. Market access factors, which refer to the existence of local markets, infrastructure, and adequate transport facilities, are obvious prerequisites for poultry sub sector development (Teklewold et al., 2005).

Marketing systems play a decisive role in vibrant economies as mechanisms for both exchange (necessary for specialization and hence leads to higher economic growth) functions and the proper coordination of the exchange (through price signals) which reflect and shape producer and consumer incentives in supply and demand interaction. If small scale domestic producers are to take advantage of the projected domestic demand growth, then marketing systems in the supply chains linking producers to consumers must be able to support low cost production and timely delivery of the products (Andrew et al., 2008).

In Bangladesh, information concerning the chicken marketing system is lacking. Despite the high demand for poultry products, producers in Bangladesh are not market oriented and the production system is characterized by its low productivity and scavenging type. This in turn leads to very small supply compared to the high potential the country has in the sub sector. Research efforts to increase chicken production and productivity has been underway in Bangladesh. But review of past research works indicate that the research largely concentrated on the biological aspects of poultry production such as supplementary feeding and breeding (Alemu and Tadelles, 1997). Increased production, however, needs to be accompanied by efficient marketing system that adds place, form, time, and possession utility to the product along the supply chain. The marketing system for local poultry in Bangladesh, particularly in the study areas is poorly developed. This study was intended to analyzing poultry marketing system, business support services and their role, constraints and opportunities of the sub sector and factors that affect chicken market participation and volume of poultry supplied to the market to generate information about the entire supply chain of poultry in the study area.

The poultry industry has been making progress despite: i) Avian Influenza/bird flu outbreak, ii) Price rises of raw materials in the international market, iii) Lack of infrastructural support.

1.1.2 Objective of the study

The primary objective of the study is to identify the various aspect relating the growth and sustainability of poultry industry in Bangladesh. We also attempt to seek the factor that making this industry vulnerable in-terms of growth potential. Along with these we had tried to design recommendations for the developments of our poultry industry. Besides these primary objectives there are some secondary objectives of the study as follows:

- To identify the problems of poultry farms in Bangladesh.
- To investigate the structure of poultry production cost and determines profitability of poultry keeping.
- To address risks associated with the poultry industry and how to mitigate those risks for the sustainable growth and development of poultry industry.
- To determine the impact of the poultry industry on the food supply chain of Bangladesh.

2.1 Data collection and Data analysis

This study primary data was collected by means of a questionnaire survey and interview with the poultry farmers in different poultry farm of Bangladesh. Questions were asked to know the Production cost and Profit margin. In the first time the farmers given their valuable data to complete the study. The study outlined major concerns focusing on the entire problems. The followings points have been finally consider as comprehensive issues; lack of quality chicks, high price of feed, marketing problem, insufficient bank loan, lack of quality vaccine, the vaccine price is very high. Most of the farmers do not have any training about the poultry farms. They depends on the raw materials suppliers. The farmers are very loser due to bird flu. Every year many of farms are collapsing due to bird flu. The small farmers do not have any contract farming facilities. Recently, ABFL (Aftab Bahumukhi Farms Ltd) started contract breeder-stock farming. The ABFL's hatchery production systems depend totally on import of grandparent stock from abroad, usually from France, the United States of America and the Netherlands. The ABFL rears the imported birds under its own supervision. The eggs obtained from the grandparent stock are hatched and the day-old chicks are distributed to the selected contract-grower farmers as breeder-stock birds. After 25 weeks of rearing, the parent stock birds start producing hatchable eggs, which the ABFL buys back. After hatching, they distribute the day-old chicks to contract and independent broiler farmers for rearing as broilers.

A written agreement is made between the ABFL and the contract breeder-stock farmer, usually for a ten-year period which can be renewed on mutual agreement. Unlike broiler contract farming, only solvent or relatively wealthy farmers in the operation areas of the ABFL are eligible to participate in the scheme, because of larger investment requirement. According to the agreement, the ABFL provides day-old-chicks, feeds, veterinary supplies in kind on credit, and intensive supervision. It also ensures purchase of the output. All the credit liability of the contract farmer is adjusted against the value of their products.

The contract farmer typically provides land, housing, equipment and labour, and builds a covered poultry shed under the direct supervision of the ABFL experts to ensure a healthy environment for proper growth of the birds. Building the shed is a relatively costly invest-ment, which few rural households can afford. In case of need, the ABFL helps farmers to access a bank loan of Tk 800000 from Uttara Bank to build the shed. If any additional funds are required, ABFL provides 50 percent on credit; the remaining 50 percent has to be borne by the farmer.

The ABFL's internal insurance scheme, mentioned above, also covers the breeder-stock farms, but the premium and compensation rates are different. Farmers contribute 4percent of the day-old chick price to the fund as a premium, and get refunds based on the rate of mortality. If the mortality is less than 10 percent, 11–25 percent or 26–50 percent, then 70, 60, 50 percent, respectively, of the contribution made by the farmer is refunded. If the mortality rate is above 50 percent, then the farmer can claim for the full insured sum. In this case, Tk 60 per bird is paid if the bird dies at the laying stage. In the event of a bird dying during the growing stage, Tk 100 per bird is paid to the farmer. Because of this measure, farmers feel secure and are encouraged to subscribe to the scheme.

3.1 Major challenges

- According to the Food and Agriculture Organization, each person should take 56 kilogram of meat and 365 eggs every year. But in Bangladesh, per head intake of meat is only 11.27kg and egg 30 per year. As a result, people suffer from malnutrition. Dobson and Quarder (2005) commented that the country's pervasive poverty may limit the number of people who can afford to consume chicken as suggested by the simple relationship between per capita GDP and chicken consumption. If population growth continues at this rate, protein deficiency will rise. Currently as per UNICEF report total population is 16.40 core. If population growth rate rises at the rate of 1.40 % per annum, then protein deficiency will rise, which can be mitigate from the poultry sector as this sector has immense potentialities.

- “Yesterday who was a solvent farmer has become a poor guy today” - this is basically true to the poultry farmers. The farmers are severely suffering from security of their farms and investment. Every year thousands of farms are collapsing due to bird flu outbreak and many for their incapability to by high priced poultry ingredients and absorbing losses from market price fall. However the poultry industry of Bangladesh currently facing the following challenges against its growth potentials. The country's poultry sector with an estimated investment of Tk. 200 billion is fraught with problems that need immediate attention, according to Wasi Ahmed in Financial Express (FE) of Bangladesh. Lack of access to finance in terms of affordable bank credit, anomalies in duty structure of imported materials - particularly feeds, 'unfair' competition from foreign farms and the frequent outbreaks of avian flu are some of the known maladies threatening existence of this highly prospective sector. Industry leaders complain that following the severe setback suffered by the sector due to intermittent attacks of

avian flu, particularly in the year 2007 and after, the government should have been more forthcoming in providing the required nourishment that the sector badly needed to overcome the difficulties. Such nourishment, they hold, could come by way of fiscal incentives such as exemption of poultry materials from import duties and VAT for a certain period of time, particularly in respect of import of bio-security kits which are used to prevent the outbreak of avian flu. It has been reported that currently importers pay 78 per cent duty and VAT to import such kits.

- The banks interest rate in this sector is very high which is on an average 12-14% per annum and real effective interest rate is around 18-20% per annum. Moreover, lot of hidden charges and costs are associated in this sector to avail the loan from the banking sector. Actually bank interest rate should be 10%. Moreover, NGOs and also Grameen bank should play more active role to lower the interest rate for poultry sector under their social business program so that rural people can be motivated.

- The price of poultry raw materials has increased sharply in the international market. Very naturally, the production costs have also hiked up. Gopalkrishnan and Mohanlal (1994) argue that food costs represents 65 to 75 per cent of total cost of commercial poultry production, depending mainly in the relative costs of feed constituents, labour, housing and costs of miscellaneous items in a particular situation. This sector also suffers greatly due to load shedding.

- Cost push inflation and demand pull inflation both are presently prevailing in the country. As a result purchasing powers of the people are declining. According to Economic Trends (2011) the annual rate of inflation increased to 9.43 percent at the end of the August 2011 from 7.87 percent at the end of August 2010.

- The Financial Express reports that industry owners said poultry feed prices will go up further affecting the local eggs and meat supply if the government does not check maize export amid production fall in the global markets. Recently, the National Board of Revenue has imposed new taxes on maize import. This has created problem as maize is the key ingredient to prepare poultry feed. Moreover, the tax exemption on poultry will also come to an end by June 2011.

- Breeders Association of Bangladesh (BAB) president Moshir Rahman said a group of vested local traders is pushing the government to permit maize export when only 50 percent of our demand is being met by the locally-produced maize. We need to import the rest 50 percent of maize from the international market to produce feed for the poultry birds, he added. The present demand of maize in poultry industry is nearly 1.6 million metric tones per year. In last fiscal 2011-12, a total of 1.6 million tones of maize was produced in Bangladesh, Department of Agricultural Extension data showed. The government should ensure smooth marketing facilities and check political unrest to ensure better prices for the maize growers instead of allowing export, Mr. Moshir said. Maize is an essential raw material for producing poultry feeds in which nearly sixty percent of feed ingredient is available, millers said.

- Feed Industry Association Bangladesh (FIAB) President Ihtesham B. Shahjahan said prices of poultry feeds have already increased in last few months in the international markets. If the government does not ban export of locally-produced maize, the poultry feed production cost will rise further hitting the poultry farmers in chicken and egg production, he said.

- Managing Director of Aftab Bahumukhi Farms, Fazle Rahim Khan Shahriar said since major supplier India has started to control maize export due to its production fall for draughts and floods, there is possibility of further price hike of the poultry feed.

- Mr. Ihtesham said according to law, maize export is prohibited unless the price is above US\$600 per tone "However, ignoring the existing law, maize has been exported to Nepal in recent times at \$190 per tone."

- Bangladeshi maize is also being smuggled to neighboring India due to its high grade, he said seeking check on the smuggling to the neighboring country.

- "If the government does not ban the locally-produced maize export, the poultry feeds will be costlier and the meat and eggs price will be affected further," Mr. Shahriar, FIAB general secretary, told the FE.

- The price of egg and chicken in the Bangladesh's local market has already gone up by nearly 40 per cent over the last one and a half years affecting the low-income people.

- "Many of the farmers have been trying to revive their production. But the fresh price hike of maize and other feeds in the local and international markets have hit the struggling poultry farmers," he added.

- The poultry leaders said they were trying to recover from the previous losses from the bird-flu outbreak producing more day-old chicks and eggs.

- The feed manufacturers said Bangladesh is now producing high quality feed at international standards. They are using superior quality nutrients and enzymes so that protein is absorbed in feed easily.

3.1.2 Avian Influenza outbreak: A threat for poultry growth

Due to Avian Influenza, the industry suffered losses of around Tk 700 core (as per Breeder's Association of Bangladesh). This was a huge loss for the producers and they did not get any sort of financial help to mitigate it. Saidur Rahman Babu, General Secretary of BAB said that 60 percent of poultry farms and 70 percent hatcheries and breeding farms were closed due to bird flu attack in 2007-2008 period.

As per FAO report (20 April, 2011), Bangladesh and five other countries, India, China, Egypt, Indonesia and Vietnam, has been suffering from the H5N1 virus. Avian flu is still endemic due to poor veterinary and livestock production services that retard appropriate revealing and managing of infection. This is because of 'firmly entrenched' due largely to 'weak producer and service associations' to support farmers. In aforesaid countries avian flu is still endemic due to poor veterinary and livestock production services retard appropriate revealing and managing of infection. Due to bird flu we can not know export chicken in Nepal and also Middle East countries. As such negative impact has been felt.

Nearly 6,000 poultry farms were shut down between November 2011 and February due to either avian influenza or higher feed prices, according to the Bangladesh Poultry Industry Association. The country had 114,763 poultry farms in 2009 but, following the spread of bird flu, the number of farms declined to 74,000 in 2010 and 64,000 in 2011. According to the Department of Livestock Services, between November 2011 and February around 69,000 chickens were culled and 70,342 eggs were destroyed due to outbreaks of avian influenza.

In this context, expansion of veterinary services including vaccination is essential. There is need for strategy, long-term planning and its effective implementation to feed the population of the country as well as export by 2021.

4.1 Problem of middlemen

Currently eggs and chickens are being distributed through middlemen, as a result the farmers are not getting actual price. For the last six/seven months, they have been counting huge losses, as the production cost is high and selling price is low. The actual producers don't get the benefit of the high price as they are oppressed by the middlemen who suck the profit. Moreover, the end users i.e. customer has to pay higher price.

5.1 Recommendations

There have been many positive gestures from the government. It has increased subsidy for the bird flu affected farmers. It has taken initiatives to invent new vaccines to get rid of the problem of the bird flu, for which they are going to spend Tk 57 core. New projects are also being implemented to benefit for the livestock sector. To mitigate food deficit especially that of protein, the poultry sector needs special attention. The following recommendations should be considered:

- Public and private collaboration is essential. Strategic alliance between private sector and the government can be developed and non-resident Bangladeshis should be encouraged to invest.
- Tax exemption which will end in 2011 can be extended till 2025.
- Imposition of tax on import of maize ought to be withdrawn.
- Bank loan in the poultry sector should be arranged at a 5-7 per cent simple interest rate per annum. Conditions should be eased. Moreover, banks should come forward through opening special windows for loan and special services so that new entrepreneurs can invest in this sector.
- The price of chicken and egg, if fixed, should not be fixed for only some months, but for the whole year considering the production cost.
- Supply chain management should be improved so that the poultry farmers can supply directly to the retail shops and middlemen can not suck the profit.
- Farms affected by Avian Influenza should get subsidy immediately after culling.
- A special fund may be created by the government to help the actual producers.
- Poultry insurance should be introduced immediately. Insurance companies should come forward with such policies.
- Electricity supply arrangement is required for the poultry farms.

- To generate the admirable flow of skilled human resources in poultry sector, professional trainer is mandatory for all. Professional trainer should be hired from domestic or foreign resources to take technical knowledge, proper education, training and motivation to the farmers.
- The relevant authority should be arrange workshop, seminar, conferences and live demonstrations for improving training to the farmers regarding the latest knowledge of poultry and marketing.
- The government may come forward to produce bio-electricity or support the poultry farmers to produce it.
- Transportation costs for eggs and chicken and chicken related products should be kept minimal so that the consumers can purchase at a reasonable price.
- The government should come forward to deal with the problem of Avian Influenza. It needs prior planning and preparation for bird flu and should arrange appropriate steps so that farmers can maintain bio-security and keep healthy environment inside and outside the farms.
- Bangladesh should not be a place for a foreign country to use dumping techniques to capture the local market. The poultry sector has the potential of creating employment for two core people by 2021, as projected by this researcher. This sector can play a major role in attaining the present government's 'Vision 2021.'

6.1 Conclusion

Battered by the Avian flu, floods and cyclone Sidr, the country's previously booming poultry industry shrunk in 2007 and struggled to recover in 2008, weighed down by higher feed costs and weak demand, industry sources warned. In the country the epidemic of some infections coupled with increase in feed cost sometimes emerge to be the most significant hinders for this industry. The poultry industry in Bangladesh is very diverse. The production of layer chicken is characterised by large-scale, intensive, commercial production systems with modern technology and imported hybrids. However, it faces a number of challenges. For the commercial layer chicken sector, its main concern would be the threat from global competition, because it is a high- cost producer by world standards. Another important factor that hampers production growth is the lack of efficient marketing system such as collection, storage, processing and marketing of eggs and poultry meat, particularly in the rural areas. The future of the commercial sector will depend largely on the availability of cheap feed sources and improvements in production and marketing efficiency.

The poultry sector has not remained as a single sector, rather it has emerged as a multidimensional sector involving multifarious activities and demanding big investments. This is an expanding sector needing diversification in technology, production of feeds, medicine and vaccine, skilled manpower and above all wider scale of investment. In this respect poultry deserves to get more attention farm policymakers.

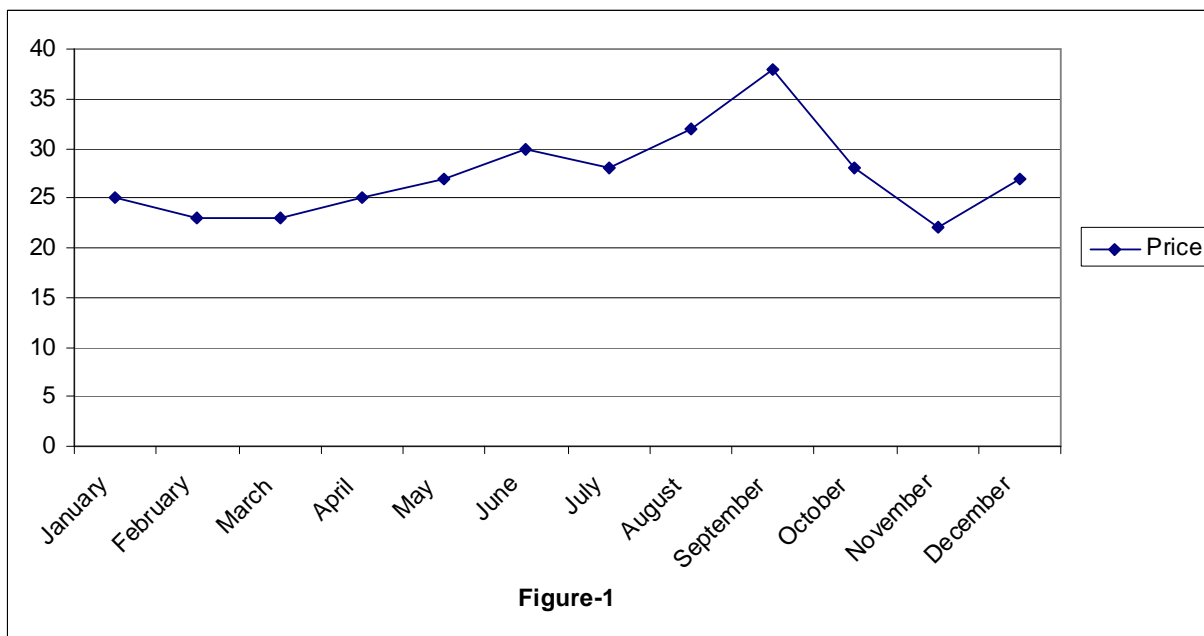
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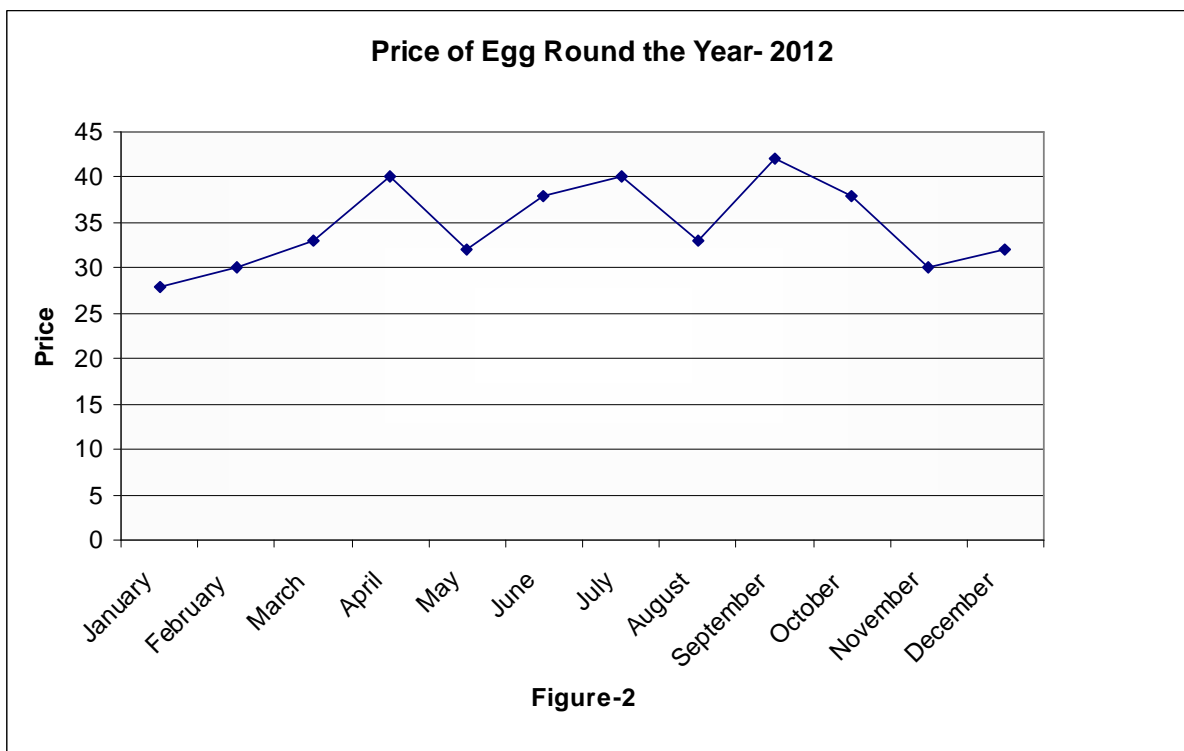
Alemu Yami and Taddelle Dessie (1997). The Status of Poultry Research and envelopment. Research Bulletin No. 4. Poultry Commodity Research Program, Debre Zeit Agricultural Research Center, Alemaya University of Agriculture, Ethiopia.

2.1.1 This survey provides a clear picture of the industry.



(Source: Field survey)

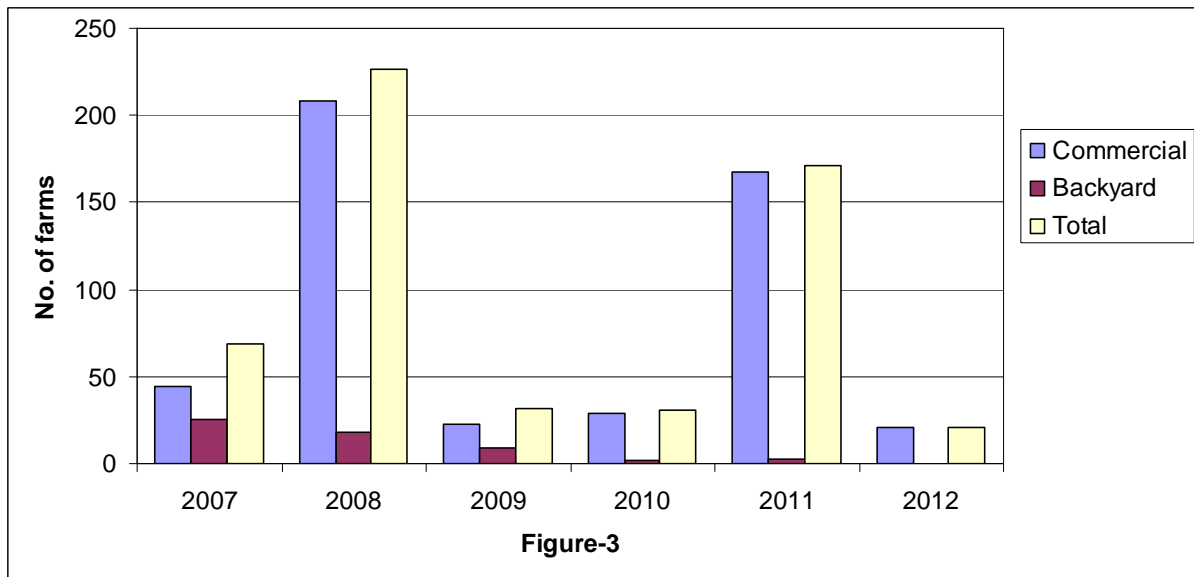
Figure:1 denotes that X-axis represents the month and Y-axis represents the price rate of Egg. From figure-1 we can see the prices of Eggs are in up and down slowly but in September the prices of Egg is very high.



(Source: Field survey)

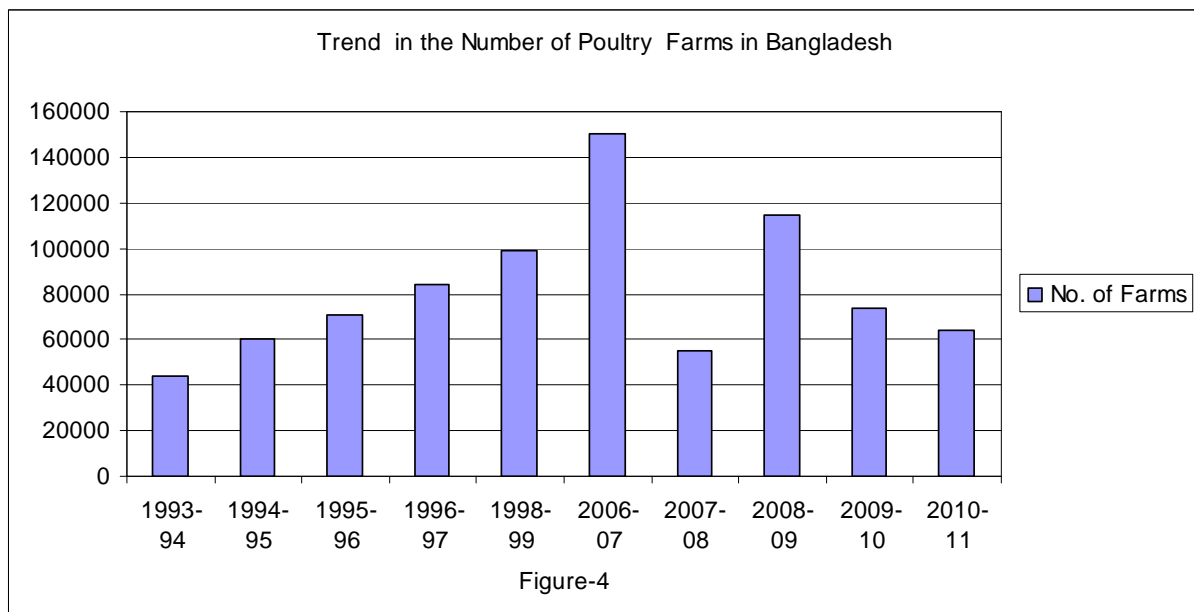
Figure:2 denotes that X-axis represents the month and Y-axis represents the price rate of Egg. From figure-2 we can see the prices of Eggs are in up and down from January to December.

Figure:3 Shows that the poultry Farms affected by Bird Flu from 2007 to 2012



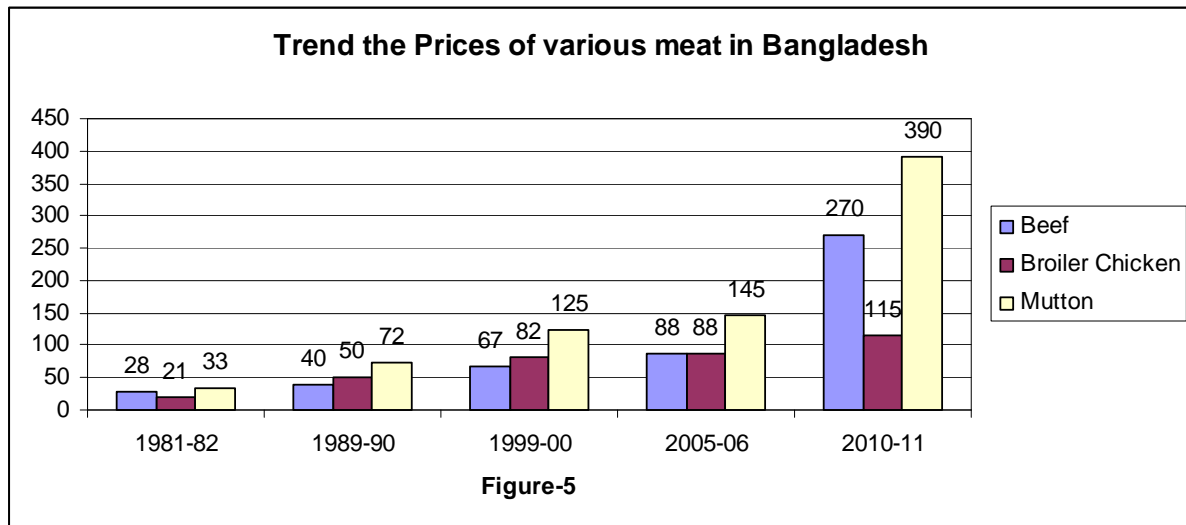
Source: Different Issues of Statistical Pocket Book, Bangladesh Bureau of Statistics and poultrysite.com

From figure:3 we see that in 2008 and 2011, huge number of farms are affected by Bird Flu. At that time, there are many farmers closed their poultry business.



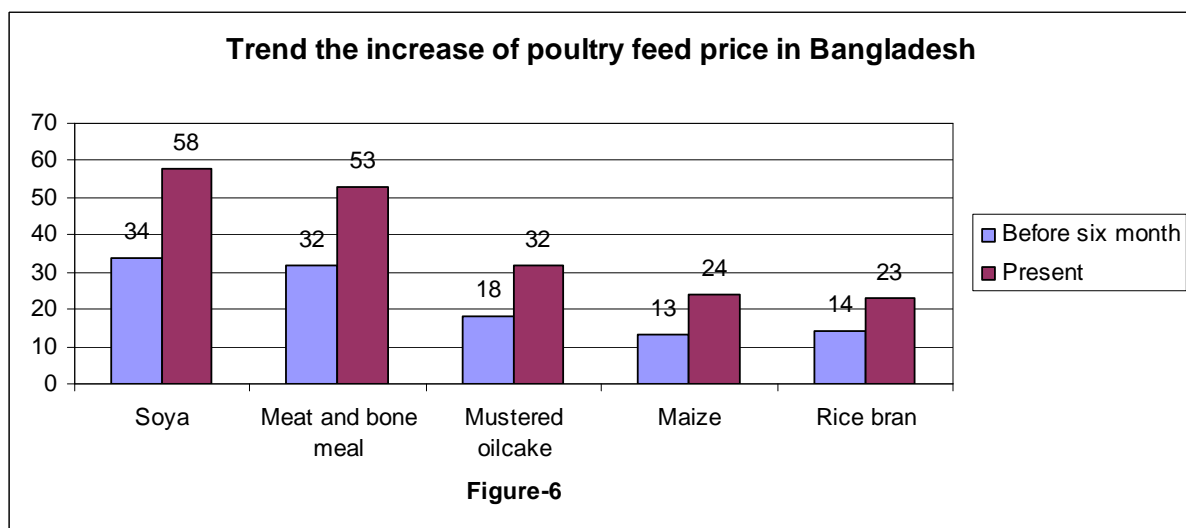
Source: Fattah (2000), IFC (2007), and BPIA (2012)

Figure:4 Shows that in 1993-94 there were only 43,589 poultry firms, which increased substantially to reach a number of 150,000 by the year 2006-07, but due to either avian influenza or higher feed prices, the present situation of poultry firms in Bangladesh are as shown above:



(Source: Different Issues of Statistical Pocket Book, Bangladesh Bureau of Statistics)

Over the past two and half decades, price of meat and egg have increased four times. However, huge supply of poultry meat and egg helped keep the price at a relatively low level. During 1999-2000 and 2010-11, the price of broiler chicken had been stable at around Tk100 per kg, while the price of beef and mutton increased steadily which resulted in low relative price of chicken, which shows in **Figure 5**:



(Source: Financial Express, 21May, 2013)

Mr. Shahriar, also the FIAB general secretary, said the poultry feed price has been increased last six months, which shows in the above figure:

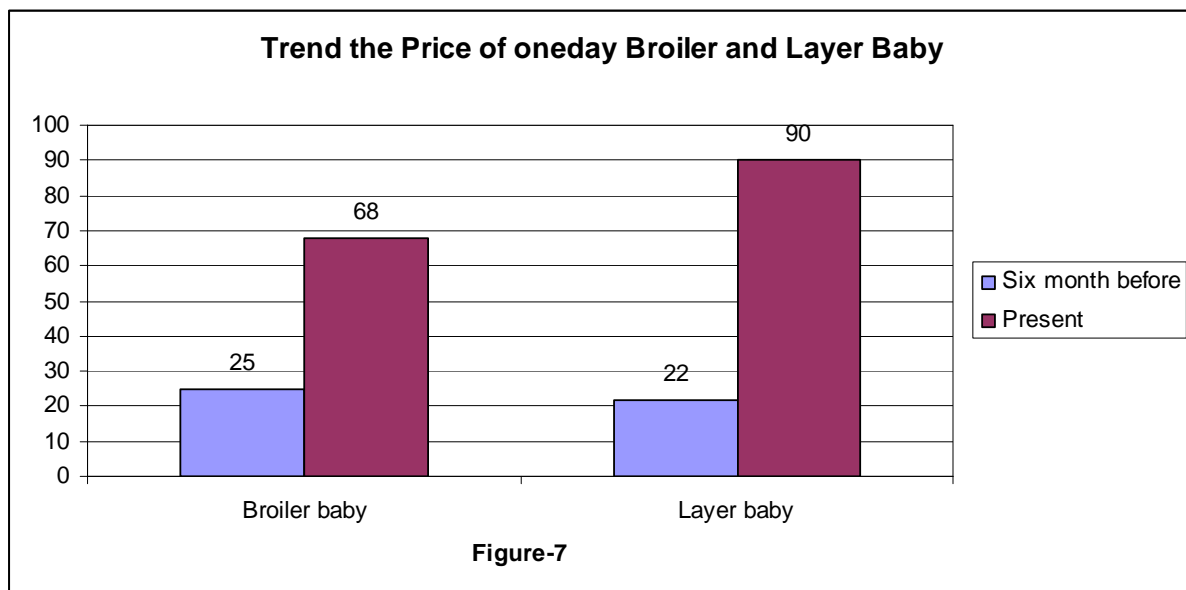


Figure-7

(Source: Financial Express)

According to the Bangladesh Poultry Industry Association, the price of a one-day-old broiler baby bird and the price of a one-day-old layer baby chick has increased, since the start of 2012, which shows in **Figure 7**:

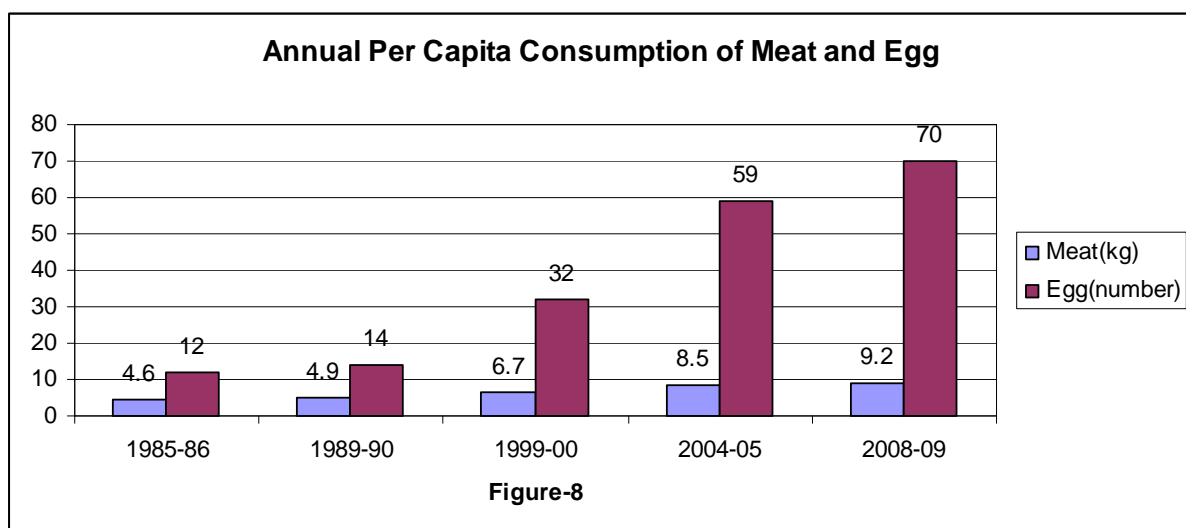


Figure-8

(Source: Different Issues of Statistical Pocket Book, Bangladesh Bureau of Statistics)

Figure:8 Shows that per capita consumption of meat has been doubled over the past three decades, while per capita egg consumption has increased by six times over the same time period. The annual per capita consumption of meat was 4.2 kg in 1985-1986, while increased to 9.2 kg in 2008-2009. On the other hand, in 1985-1986, the per capita consumption was 12 eggs annually, while this increased to 70 eggs annually in 2008-2009. This mammoth increase in the meat and egg consumption was possible only for the exploration of poultry sector in Bangladesh.

Table:1 Dynamics of profit over Time (per 100 eggs)

Rate of Profit	Present	Before five years	Before ten years
Egg (per 100)	54.00	83.00	95.00

(Source: Different Issues of Statistical Pocket Book, Bangladesh Bureau of Statistics and Field survey)

Table:1 Shows a declining trend in the profit margin in the poultry industry over time. This fall in profit margin might be attributed to increased competition in the poultry sector over time. At present a poultry farmers earns TK.45 per 100 eggs, while this profit margin wasTK.84 five years ago and TK.93 ten years ago.

Table:2 Production cost over Time (per 100 eggs)

Production cost	Present	Before five years	Before ten years
Egg (per 100)	690.00	450.00	300.00

(Source: Different Issues of Statistical Pocket Book, Bangladesh Bureau of Statistics and Field survey)

Table:2 Shows that at present the cost of production has increased incredibly in egg production. At present the production cost per 100 eggs is TK.636.00, while this cost was TK.450.00 five years ago and TK.300.00 before ten years ago.